

Pastor Benjamin A. Johnson, et al. v.
Evangelical Lutheran Church in America, et al.
File No. 11-cv-00023 (MJD/LIB)

EXHIBIT 12
(Declaration of Rochelle Christensen)



Board of Pensions
Evangelical Lutheran Church in America
God's work. Our hands.

**EVANGELICAL LUTHERAN CHURCH IN AMERICA
BOARD OF PENSIONS**

**SEVENTY-SIXTH MEETING
OF THE
BOARD OF TRUSTEES**

**PLENARY MINUTES
August 5-7, 2010
Marquette Hotel
Minneapolis, Minnesota**

CALL TO ORDER

The seventy-sixth meeting of the Board of Trustees of the Board of Pensions, a service unit of the Evangelical Lutheran Church in America, was called to order by CHAIR Lois A. O'Rourke at 1:03 p.m., on Thursday, August 5, 2010, in the Lake Superior/Lake Huron room of the Marquette Hotel in Minneapolis, Minnesota. CHAIR O'Rourke introduced and welcomed John R. Brooks, Director, ELCA News Services. Ruby M. Joy provided the opening devotion.

MEMBERS PRESENT

Kevin D. Anderson
Cecil D. Bykerk
Bruce D. George
Ruby M. Joy
Lisa Ann Kro

Michael J. McCoy
Kathleen K. Mooney
Lois A. O'Rourke
Roger A. Saylor

Jill A. Schumann
Ingrid S. Stafford
James D. Swinford
Pr. Jeffrey D. Thiemann

MEMBERS ABSENT

Greg K. Smith

ELCA STAFF PRESENT

John R. Brooks, Director, ELCA News
Services

ELCA ADVISERS PRESENT

Pr. James A. Justman, Bishop,
East-Central Synod of Wisconsin
David D. Swartling, Secretary

EXTERNAL PARTICIPANTS PRESENT

None

BOARD OF PENSIONS' STAFF OFFICERS PRESENT

John G. Kapanke, President
David G. Adams, Vice President, Products & Services
Pr. Robert D. Berg, Assistant to the President for Church Relations
Curtis G. Fee, Vice President and Chief Investment Officer

Minutes – Plenary Sessions August 5-7, 2010

Page 2

Stacy A. Kruse, Vice President and Chief Financial/Risk Officer
Terrance G. Mencil, Director, Marketing & Communications
Robert H. Rydland, Vice President and General Counsel
T. J. Ticey, Vice President, Member Services
Steven A. Willems, Vice President, Information Solutions

BOARD OF PENSIONS' STAFF PRESENT

Lorrie D. Bates, Administrative Assistant, Information Solutions
Nancy L. Batsell, Legal Assistant, Office of General Counsel
Jewelie A. Grape, Associate General Counsel, Office of General Counsel
Bradley J. Joern, Director, Health Products, Products & Services
Carmeann Medas-Forbes, Legal Intern, Office of General Counsel

Christine A. Rittmann, Executive Assistant, Office of the President, Meeting Recorder

ATTENDANCE

CHAIR O'Rourke called on Secretary Ingrid S. Stafford who presented the resolution regarding the resignation of Mary K. Gobber.

**RESOLUTION OF THE BOARD OF THE TRUSTEES
OF THE BOARD OF PENSIONS OF THE
EVANGELICAL LUTHERAN CHURCH IN AMERICA
ACKNOWLEDGING THE RESIGNATION OF
MARY K. GOBBER
FROM THE BOARD OF TRUSTEES**

WHEREAS, Mary K. Gobber was elected to serve a six-year term as a Trustee of the Board of Pensions of the Evangelical Lutheran Church in America by the Churchwide Assembly meeting in Orlando, Florida, in August of 2005; and

WHEREAS, citing continued family health problems and other family obligations, she has resigned as a trustee on June 14, 2010, serving on the Board of Trustees of the Board of Pensions.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees acknowledges with regret Mary K. Gobber's resignation effective June 14, 2010, and states its appreciation and gratitude for her dedicated service to the Board of Trustees.

Moved;

Seconded: To approve the resolution acknowledging the resignation of Mary K. Gobber from the Board of Trustees.

VOTED

PN 10.08.22 To adopt the foregoing motion.

Ms. Stafford then reported on trustee attendance as follows: in attendance – 13 of 14 trustees.

**PLENARY SESSION
SATURDAY, AUGUST 7, 2010**

CHAIR O'Rourke reconvened the meeting of the Board of Trustees of the Board of Pensions at 8:00 a.m. on Saturday, August 7, 2010, and thanked John and Sherry Kapanke for their gracious hospitality at the reception and dinner hosted at their home the prior evening. Ms. Stafford provided the devotion.

MANAGEMENT REPORT

(The August 2010 Management Report can be found in Tab V of the 76th Board of Trustees' meeting book.)

ELCA Special Needs Retirement Fund (SNRF) Update

Mr. Kapanke called upon Pr. Berg to provide an update report on the ELCA Special Needs Retirement Fund (SNRF). SNRF is a fund co-administered by the ELCA Board of Pensions and the ELCA Foundation, with the ELCA Board of Pensions providing transactional services. This update follows a July 8, 2010, meeting of the SNRF Managing Committee, and it reflects actions taken by the Managing Committee relative to guidelines for administration of the fund.

2010 SNRF Activity Report

A. 2009 Fund Income (excluding Investment Earnings)	\$ 520,519
B. 2009 Fund Payments	248,163
C. Estimated 2010 Income (excluding Investment Earnings)	540,000
D. Estimated 2010 Payments	290,000
E. Adjustments for 2010 9% Annuity Decrease	6,600
F. Fund Assets as of 5/31/2010	\$ 6,339,329
G. Number of units* served in 2009	47
H. Number of units served in 2010 (as of July 19)	43
I. Current number of units being served	40

*Number of units served changes with deaths, updates of monthly income and assets, and the addition of recipient units qualifying for benefits. Note: The term "unit or recipient unit" does not account for spouses of married non-deceased recipients, so the actual number of individuals served is greater. While there is a decrease in number of units served when comparing 2009 to 2010, we have nine new recipients since April 2010, and given that we have five months remaining in 2010, it is highly likely the number of units served for 2010 will increase, and potentially the current number served will also increase subject to year-end monthly income and asset reviews as well as deaths.

SNRF Managing Committee Actions (July 19, 2010)

- A. Monthly income levels for 2011 to be raised from \$1,550 to \$1,675 for singles, and from \$1,800 to \$1,925 for married.
- B. In 2011, eligibility year of retirement, disability or death (for eligible spouses) raised from 1997 to 2000.
- C. In 2011, must have reached full Social Security retirement age to be eligible to apply.

- D. In 2011, the intention of the Managing Committee is for SNRF payments to offset possible annuity payment decreases for those receiving SNRF benefits, so as to maintain payments at the new monthly income levels.
- E. Note: It is anticipated that because of actions by the Managing Committee to increase monthly income levels, raise the eligibility year of retirement, and offset possible annuity decreases for 2011 for those receiving SNRF assistance, the number of recipient units and total payments made to recipient units will increase in 2011. It is difficult to estimate the increase in total payments, but these decisions are expected to bring 2011 payments to an amount between \$334,000 and \$450,000. Incremental increases in monthly income levels and eligibility year of retirement (so as to evaluate the impact on SNRF) have been enacted by the SNRF Managing Committee in prior years.

Synod Assembly Resolutions

Twelve synods (either in assembly or through synod councils) have passed resolutions related to decreases in annuity payments and bridge fund component accounts of the ELCA Participating Annuity and Bridge Fund. A common resolve in such resolutions reads:

"Resolved, that steps be explored to mitigate the adverse effects of the Fund reductions and possible future reductions, including the expansion and promotion of the ELCA Special Needs Retirement Fund."

It is anticipated that the ELCA Church Council will address these resolutions and particular resolves (including the resolve referencing the Special Needs Retirement Fund) in the months ahead.

Mr. Kapanke then highlighted and reported on those performance indicators classified as RED in the August 2010 Management Report:

- Customer Experience (pg. 4) – anticipate difficulty in reaching goal as responses will be influenced by market behavior
- ELCA Retirement Roll-Outs Year-to-Date (pg. 9) – will not achieve the goal as already over annual goal as of second quarter
- Employee percent "recommend" (pg. 11) – this indicator turned YELLOW as of the April 2010 Denison Survey results; will need to score a result of 87% in November 2010 in order to achieve goal of 82%

Moved;

Seconded: To receive the August 2010 Management Report.

VOTED

PN 10.08.27 To adopt the foregoing motion.